

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 182 – HB 1383

March 9, 2023

SUMMARY OF BILL: Prohibits the arrest, charge, or prosecution of a person for prostitution if the evidence for the arrest, charge, or prosecution results solely from the person's report of the criminal act. Enhances the penalty for patronizing prostitution, from a Class A misdemeanor to a Class E felony.

FISCAL IMPACT:

Increase State Expenditures – \$805,800 Incarceration

Decrease Local Expenditures – \$62,900/FY24-25 and Subsequent Years

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-13-513(b)(1), prostitution is a Class B misdemeanor.
- There will not be a sufficient change in the number of prosecutions for state or local government to experience any significant change in revenue or expenditures.
- Pursuant to Tenn. Code Ann. § 39-13-514(b)(1), patronizing prostitution is a Class A misdemeanor.
- The proposed legislation enhances the penalty to a Class E felony.
- Based on information provided by the Administrative Office of the Courts, there has been an average of 7.2 Class A misdemeanor convictions of patronizing prostitution in each of the last five years.
- This analysis assumes that only 10 percent of misdemeanor convictions are at the state court level. As a result, it is estimated that there are 72 convictions (7.2 / 10.0%) per year for such Class A misdemeanors.
- Passage of this legislation will result in 72 additional Class E felony admissions for patronizing prostitution.
- The average time served for a Class E felony offense is 0.59 years.
- Based on population data from the U.S. Census Bureau, population growth in Tennessee averaged 0.96 percent per year (from 2018 to 2021).
- The weighted average operational costs per day are estimated to be \$50.63 for inmates housed at state facilities and \$52.11 for inmates housed at local facilities.
- The increase in incarceration costs are estimated to be the following over the next three-year period:

Increase in State Expenditures	
Amount	Fiscal Year
\$ 790,500	FY23-24
\$ 798,100	FY24-25
\$ 805,800	FY25-26

- Pursuant to Chapter 1007 of 2022, recurring costs increases are to be estimated on the highest of the next three fiscal years; therefore, the recurring increase in incarceration costs will be \$805,800.
- It is assumed that an individual convicted of a Class A misdemeanor offense will spend an average of 15 days in a local jail.
- Based on cost estimates provided by local government entities throughout the state and reported bed capacity within such facilities, the weighted average cost per day to house an inmate in a local jail facility is \$58.21.
- The recurring mandatory decrease in expenditures to local governments is estimated to be \$62,867 (72 convictions x \$58.21 x 15) in FY23-24 and subsequent years.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is insignificant. The proposed legislation will not significantly change state or local revenue.
- The estimated fiscal impact of the proposed legislation does not consider the availability of beds in state and local facilities, but is based solely on the current operating costs of state facilities and the reimbursement rates for local facilities as is required by Tenn. Code Ann. § 9-4-210.
- All calculations used in completion of this fiscal note are available upon request.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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